

Message Text

LIMITED OFFICIAL USE

PAGE 01 MTN GE 02967 152103Z

21

ACTION STR-04

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00

STRE-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00

USIA-06 PRS-01 SP-02 OMB-01 XMB-02 /137 W

----- 091199

R 171809Z APR 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1407

INFO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE MTN GENEVA 2967

ACTION STR

H PASS CODEL

E O 11652: N/A

TAGS: ETRD; MTN

SUBJECT: TROPICAL PRODUCTS CONSULTATION WITH INDONESIA

1. SUMMARY: INDONESIAN DEL (TAIHITU) UNIN-
STRUCTURED FOR RESPONSE TO U.S. REQUEST BUT PRESENTED
PERSONAL OBSERVATIONS THAT INDONESIA WOULD MAINTAIN
POSITION OF NON-RECIPROCITY IN TROPICAL PRODUCTS NEGO-
TATIONS. INDONESIAN DEL CHARACTERIZED U.S. REQUESTS
ON SPECIFIC ITEMS AS QUID PRO QUO FOR TROPICAL PRODUCTS
CONCESSIONS WHICH WAS UNEXPECTED SINCE HE HAD BEEN
OPERATING UNDER IMPRESSION THAT ANY LDC CONTRIBUTIONS
WERE TO BE MADE IN GENERAL TERMS SUCH AS RELAXATION
OF BURDENSOME IMPORT PROCEDURES. U.S. INDICATED IT
WOULD SEEK CLARIFICATION ON TWO OF ITS REQUESTS; VEGE-
TABLE PROTEIN ITEMS OF INTEREST TO THE U.S. AND NATURE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 02967 152103Z

OF SALES TAX FOR WHICH U.S. SEEKING REDUCTION. END SUMMARY.

2. TROPICAL PRODUCTS CONSULTATIONS HELD APRIL 15
WITH INDONESIAN DEL. PURPOSE OF MEETING WAS TO RE-
VIEW U.S. OFFER AND TO PRESENT U.S. REQUEST LIST.

3. PRESENTATION OF U.S. OFFER LIST: U.S. (GRAEF)
NOTED THAT TRADE VALUE OF U.S. OFFER WAS 2.1 MILLION
DOLLARS IN 1974 AND 2.5 MILLION DOLLARS IN 1973 AND EX-
PRESSED HOPE THAT BOTH PARTIES COULD AGREE ON TRADE
VALUE OF THIS OFFER IN FUTURE. TWELVE ITEMS CONTAINED
ON INDONESIAN REQUEST LISTS INCLUDED IN U.S. OFFER AND
NINE ITEMS REQUESTED WERE ALREADY DUTY FREE. U.S.
STATED IT WAS OFFERING MFN REDUCTIONS AND THAT U.S.
INTENDS TO BIND THESE CONCESSIONS. BINDING, HOWEVER,
RELATES TO IMPLEMENTATION, A SUBJECT ON WHICH U.S. HAS
NO POSITION AT THIS BEGINNING STAGE IN THE NEGOTIATIONS.
U.S. NOTED THAT IN THIS REGARD IT WOULD BE DIFFICULT FOR
U.S. TO BIND A REDUCTION TO ZERO DUTY ON TSUS 155.40
AND 176.04, UNLESS MEANINGFUL CONTRIBUTIONS MADE BY
DEVELOPING COUNTRIES.

4. INDONESIAN DEL STATED THAT U.S. OFFER HAD BEEN
SENT TO JAKARTA, BUT NO INSTRUCTIONS HAD YET BEEN RE-
CEIVED. HE NOTED ABSENCE OF OFFER ON TOBACCO AND MADE
PERSONAL OBSERVATION THAT BLACK TOBACCO (BTN 24.01B2)
HAS GREAT ECONOMIC IMPORTANCE TO CENTRAL JAVA. U.S.
RESPONDED THAT THERE WOULD BE GREAT DIFFICULTY IN DEALING
WITH TOBACCO IN TROPICAL PRODUCTS GROUP SINCE PROBLEMS
IN THIS AREA RELATE TO GREATER LIBERALIZATION IN WORLD
TOBACCO TRADE, A PRECONDITION TO ANY POSSIBLE U.S. OFFER.

5. INDONESIA QUERIED U.S. ON WHY NTM'S DID NOT APPEAR ON
U.S. OFFER LIST. U.S. RESPONDED THAT ON SOME MEASURES
EVIDENCE HAD NOT BEEN PRESENTED TO INDICATE THAT SPECIFIED
MEASURES CREATE OBSTACLES TO TRADE. U.S. ALSO NOTED THAT
LACK OF SPECIFICITY ON PARTICULAR PROBLEMS ENCOUNTERED
MADE ANY U.S. RESPONSE DIFFICULT. IDENTIFICATION OF
SPECIFIC PROBLEM FACED BY EXPORTERS WOULD BE HELPFUL IN
U.S. FORMULATING ANY RESPONSE TO INDONESIAN REQUESTS. U.S.
ALSO OBSERVED THAT AS A GENERAL MATTER MANY NTM ISSUES ARE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 02967 152103Z

BETTER DEALT WITH IN EXISTING NTM SUBGROUPS. U.S. MADE
CLEAR, HOWEVER, THAT U.S. DID NOT EXCLUDE THE POSSIBILITY
OF DISCUSSIONS ON NTM'S WITHIN TROPICAL PRODUCTS NEGOTIA-
TIONS.

6. PRESENTATION OF U.S. REQUEST LIST: U.S. PRESENTED A
LIST OF CONTRIBUTIONS THAT COULD BE MADE BY INDONESIA IN
TROPICAL PRODUCTS NEGOTIATIONS. SUCH CONTRIBUTIONS BEING

SOUGHT IN ACCORDANCE WITH PARA. 5 OF TOKYO DECLARATION AND ON AN MFN BASIS. U.S. RECALLED THAT ITS POSITION ON THIS MATTER HAD BEEN SET FORTH IN BILATERAL SESSIONS AS WELL AS IN TROPICAL PRODUCTS GROUP. U.S. NOTED THAT IT WAS SEEKING CONTRIBUTIONS WHICH WERE SUBSTANTIALLY LESS IN TRADE VALUE TERMS THAN ITS OFFER. WITH RESPECT TO SPECIFIC ITEMS, U.S. NOTED THAT VEGETABLE PROTEIN ENTERS UNDER INDONESIAN TARIFF ITEM NUMBER 35.04.01, BUT TO EXTENT THIS PROTEIN ENTERS UNDER OTHER CATEGORIES (INDONESIAN TARIFF ITEMS 23.04.01 AND 21.07.99) U.S. WOULD ALSO LIKE REQUESTED REDUCTIONS. AFTER DISCUSSION OF THIS ITEM, U.S. PROMISED TO SEEK CLARIFICATION ON SPECIFIC VEGETABLE PROTEIN PRODUCTS OF INTEREST TO U.S., I.E. PROBABLY PROTEIN ISOLATES, CONCENTRATES AND DEFATTED FLOUR AND GRITSK. U.S. ALSO AGREED TO BE MORE SPECIFIC IN IDENTIFYING NATURE OF SALES TAX FOR WHICH U.S. IS SEEKING REDUCTION.

7. INDONESIAN REACTION TO U.S. REQUEST LIST: TAIHITU HAD NO INSTRUCTIONS BUT OFFERED PERSONAL OBSERVATION THAT INDONESIA STOOD BY ITS POSITION OF NON-RECIPROCITY FROM LDC'S IN TROPICAL PRODUCTS NEGOTIATIONS. INDONESIA ANTICIPATED U.S. REQUEST LIST WOULD BE MORE GENERAL AND NOT TIED TO SPECIFIC PRODUCTS IN WHICH CASE ANY LDC RECIPROCITY COULD BE GENERAL RATHER THAN A QUID PRO QUO. HE DOUBTED THAT INDONESIAN OFFICIALS WOULD GIVE A QUICK RESPONSE TO U.S. REQUEST.

8. U.S. NOTED THAT NONE OF ITS OFFERS ARE TIED TO SPECIFIC CONCESSIONS FROM INDONESIA ALTHOUGH SOME SPECIFIC CONTRIBUTIONS WOULD BE NEEDED FROM OTHER DEVELOPING COUNTRIES. U.S. SAID IT HAD NO TIME LIMIT FOR INDONESIAN RESPONSE BUT HOPED INDONESIAN OFFICIALS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 02967 152103Z

WOULD EVALUATE BOTH U.S. OFFER AND POSSIBLE CONTRIBUTIONS BY INDONESIA IN TERMS OF COMMERCIAL INTERESTS AND MAKE CONSIDERED REACTION WITHIN A NEGOTIATING CONTEXT.

9. ACTION REQUESTED: MTN DEL WOULD APPRECIATE CLARIFICATION ON VEGETABLE PROTEIN AND SALES TAX REQUESTS MENTIONED IN PARA. 6 ABOVE. CULBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE CONCESSIONS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MTNGE02967
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760144-0869
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760450/aaaabqej.tel
Line Count: 162
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 10 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 MAY 2004 by woolflhd>; APPROVED <20 SEP 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TROPICAL PRODUCTS CONSULTATION WITH INDONESIA
TAGS: ETRD, ID, MTN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006